



Proceedings of the

ICSSR SPONSORED

**NATIONAL SEMINAR ON FINTECH - 2022**

(FINTECH REVOLUTION IN INDIAN BANKING SECTOR – OPPORTUNITIES AND CHALLENGES)



Convener  
Dr. R. KALIDOSS, (Nodal Officer)

Date  
29-09-2022 & 30-09-2022

Jointly Organized By

DEPARTMENT OF VOCATIONAL EDUCATION  
&  
P.G. AND RESEARCH DEPARTMENT OF COMMERCE  
ARUMUGAM PILLAI SEETHAI AMMAL COLLEGE  
TIRUPPATTUR – 630 211.

**NATIONAL SEMINAR ON FINTECH REVOLUTION IN  
INDIAN BANKING SECTOR – OPPORTUNITIES AND  
CHALLENGES**

**29-09-2022 & 30-09-2022**



**DEPARTMENT OF VOCATIONAL EDUCATION**

**&**

**P.G. AND RESEARCH DEPARTMENT OF COMMERCE**

**ARUMUGAM PILLAI SEETHAI AMMAL COLLEGE**

**(Reaccredited with B+ grade by NAAC)**

**THIRUPPATHUR, SIVAGANGAI (DT).**

**TAMILNADU.**

## **DISCLAIMER**

The views expressed in this Edited ISBN Book are those of the author(s) and do not necessarily reflect those of publishers or Editorial Board. Reproduction of any material published herein requires prior written permission of the Editor or the organizations to which the contributors belong. Errors if any are purely unintentional and Readers are requested to communicate such errors to the editors or publishers to avoid discrepancies in future.

ISBN NO: 978-81-928690-6-3

Printed and Published

DEPARTMENT OF VOCATIONAL EDUCATION & P.G. AND RESEARCH  
DEPARTMENT OF COMMERCE  
ARUMUGAM PILLAI SEETHAI AMMAL COLLEGE  
(Reaccredited with B+ grade by NAAC)  
THIRUPPATHUR, SIVAGANGAI (DT).  
TAMILNADU.

## CONTENTS

S.NO	TITLE	PAGE.NO
1	A Study on Financial Inclusion and Financial Literacy in Tamilnadu. <b>Dr.R.Kalidoss</b>	1
2	Indian Banking System Opportunities and Challenges - A Study. <b>R. Rampriya, Dr. A. Vanitha &amp; Dr. B. Selvarajan</b>	9
3	Impact of Smartphone Usage Among Student's Community - A Study With Reference to Sivagangai District. <b>Dr.B.Kavitha</b>	25
4	The Fraudulent and Precaution of Non-Banking Financial Companies in India. <b>A.Jenifer &amp; Dr.C.Vethirajan</b>	31
5	A Study on Impact of Covid-19 on Digital Payments in Kottayam District, Kerala, India. <b>Mr. Bibin Xavier &amp; Dr. A. Vanitha</b>	38
6	A Study on The Non-Performing Assets Recovery Strategy in Indian Banking Sector <b>Mrs.J.Pandilakshmi &amp; Dr.M.Muthukamu</b>	46
7	Role of Micro Finance in Promoting Financial Inclusion in India <b>Dr.C.S.Edhayavarman &amp; M.Hayath Oogos Mohaideen</b>	65
8	The Digital Transformation in Corporate Governance <b>Bhavani N J &amp; Dr.C. Vethirajan</b>	71
9	Challenges of Banking Sector in India <b>Dr.K.Naina Mohamed</b>	76
10	A Study On Priority Sector Lendings By Indian Commercial Banks - A Review <b>M.Thilagam &amp; Dr. M. Syed Ibrahim</b>	82

# **A STUDY ON IMPACT OF COVID-19 ON DIGITAL PAYMENTS IN KOTTAYAM DISTRICT, KERALA, INDIA**

**Mr. Bibin Xavier**

Research Scholar,

Alagappa University, Karaikudi.

**Dr. A. Vanitha**

Assistant Professor,

Research department of Business Administration,

Arumugam Pillai Seethai Ammal College,

Tiruppattur.

## **ABSTRACT**

This paper analyses the impact of covid-19 on digital payment – a fintech in Kottayam, Kerala, India. The pandemic had affected the entire globe and disrupted the normal life of people. Since the movement of people where restricted, people were forced to use the hands free methods of financial transactions. But does the pandemic have an impact on a finance technology like digital or online payment is the question the researcher tries to answer via this research. For the purpose of study primary data were collected from 200 respondents using convenience sampling and analysis were conducted through various graphic tools and chi-square test in SPSS. The study was conducted for a period of three years starting from April 1st 2019 to 31st march 2022. The result revealed that there is a significant impact on the usage of digital payment due to pandemic.

**Keywords:** Covid19, digital payments, fintech

## **INTRODUCTION**

The fintech in our country is witnessing dynamic transformation in this country with the advent of digital payments, mobile banking, digital wallets, bit coin, block chain technology and artificial intelligence. The country is still moving on the path of a major digital revolution. This shift from traditional payment mechanisms to virtualisation of the various transaction will be considered as milestone in the era of Digital Economy. Internet has become a part of the day to day life of the common man. Internet is being used on a large scale to disseminate different data and information's. An online payment in short can be simply defined as payment for the various goods and services over internet. Electronic payments come with different forms, like credit card, debit card, bank transfers etc.

Digital payments and internet can help the divide that exist between the rich and poor in terms of quick access to finance. Hence the government of India and financial regulators are pushing to increase the adoption of digital payments and other finance technology. After the demonetization initiative by the government of India, it is being said that the current pandemic situation is paving a new way to the digital transformation in the economy, as the movement of the people were restricted. Hence more research is needed to explore how the pandemic affected the digital payment in the country.

### **PROBLEM STATEMENT**

There are large number of studies have been conducted investigating the relationship between Digital payment mechanism and various economic and non-economic events. But the pandemic being a new phenomenon, researchers need to explore how the covid-19 impacts digital payment in a detailed and well versed manner. The current study is an effort to find out whether there is any impact of covid-19 on digital payment and what payment method is adopted mostly during these pandemic period and lockdown time.

### **OBJECTIVES OF THIS STUDY**

The specific objective of this study is as follows;

- A) To identify the impact for Covid-19 on Digital Payment usage in Kottayam, Kerala, India.
- B) To study attitude of people towards online payments.
- C) To find out why people use online payments.
- D) To identify the challenges faced by the users during digital payment mechanisms.

### **HYPOTHESIS**

In order to answer whether the Covid-19 had any impact on Digital payment, the following hypothesis was set:

H1: There is no significant increase in the usage of Digital payment during the pandemic period.

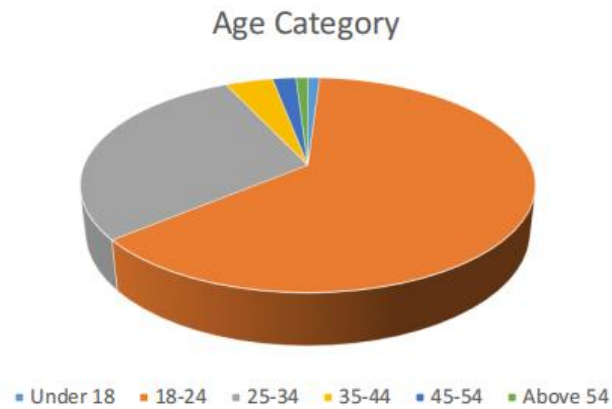
H2: There is no significant difference in the proportion of consumer preference towards various payment mechanisms.

### **RESEARCH METHODOLOGY**

Descriptive research is being used in this study. Primary data for the study is being collected from people of Kottayam using questionnaire. The population for the study is 2,083,152 (as per Aadhar uidai.gov.in Dec 2020 data). A sample of 200 being selected from different parts of Kottayam using purposive sampling. Duration of the study was from April 1st 2019 to 31st March 2022. The data was analysed using descriptive statistics tools and Chi-square test.

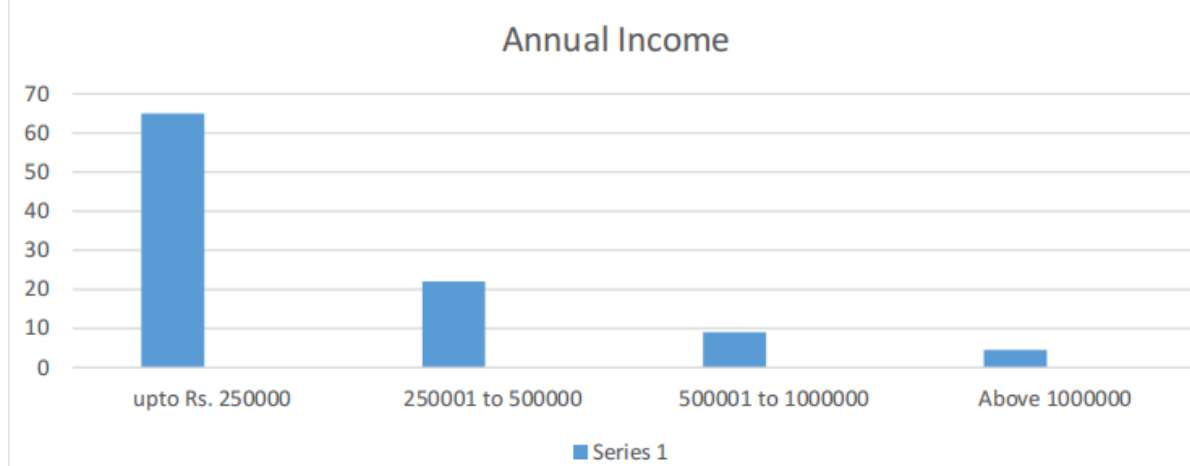
## ANALYSIS AND INTERPRETATION

### Age category of Respondents



Graph 1: Age category of Respondents

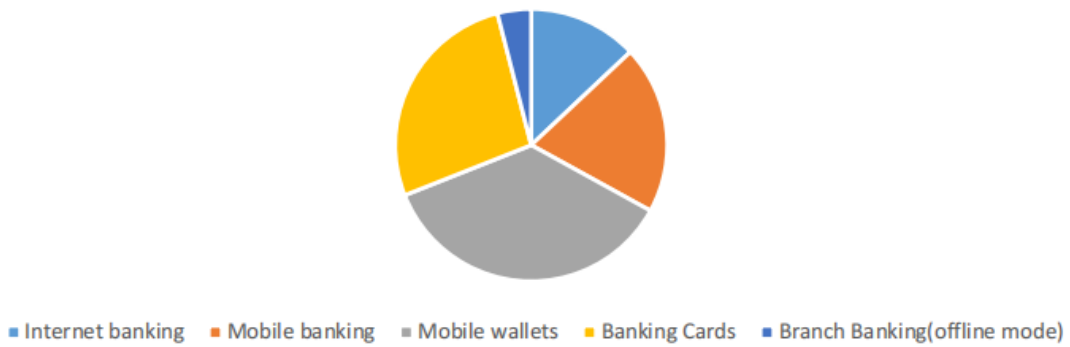
### Annual Income of Respondents



Graph 2: Annual Income of Respondents

### Commonly Used Digital Payments

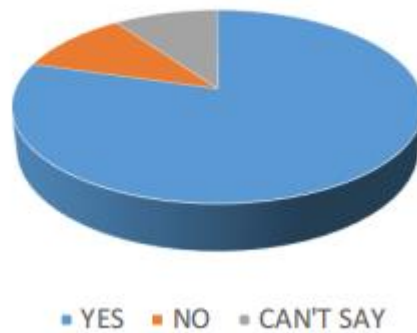
Commonly Used payment methods



Graph 3: Commonly Used payment mechanism

**Opinion of the Respondents whether pandemic tend to increase the digital payment usage.**

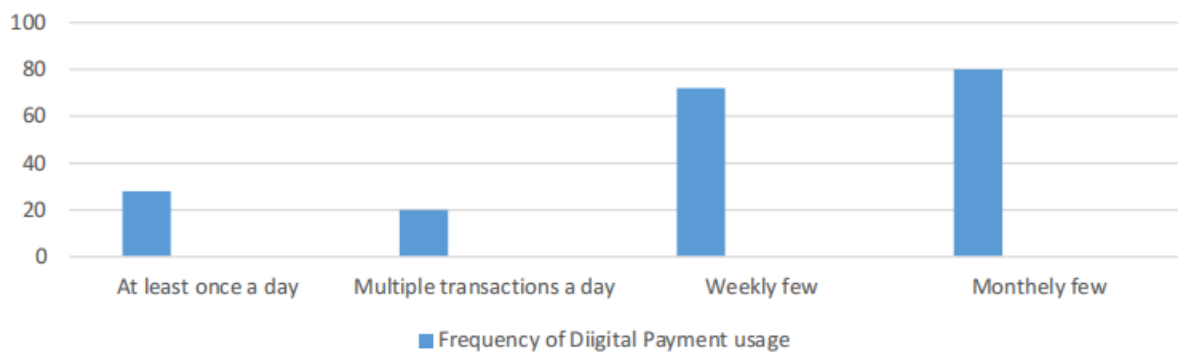
Usage of Digital Payment



Graph 4: Opinion of Respondents

### Frequency of Online Payment usage: A) Before the Pandemic

Digital Payment usage

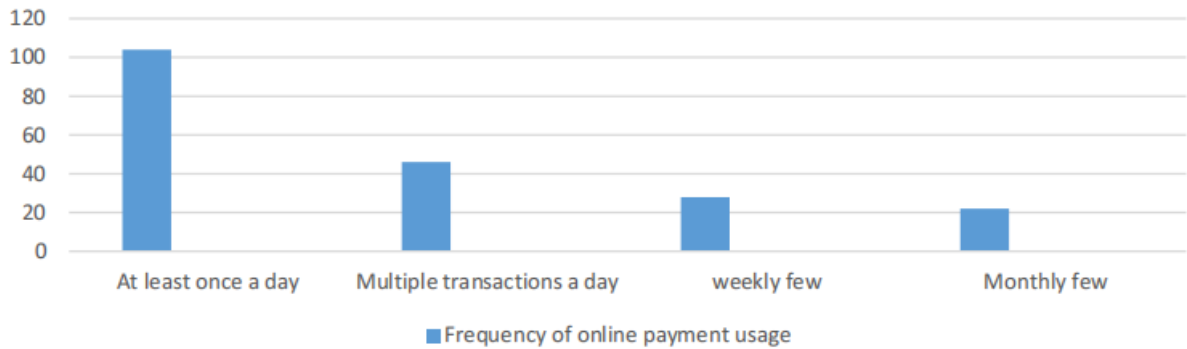


Graph 5: Digital payment usage before pandemic



**B) During the Pandemic**

Digital Payment usage

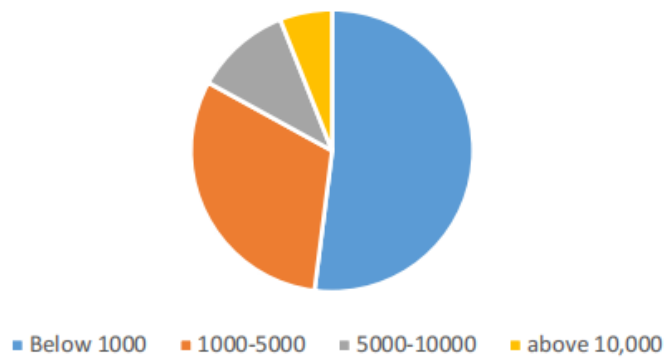


Graph 6: Digital payment usage during pandemic

**Average monthly online payments:**

**A) Before Pandemic**

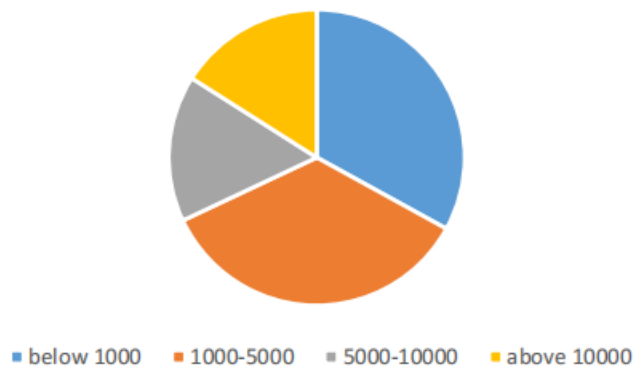
Average Monthly online payment



Graph 7: Average monthly Payment Online payment before pandemic

**B) During Pandemic**

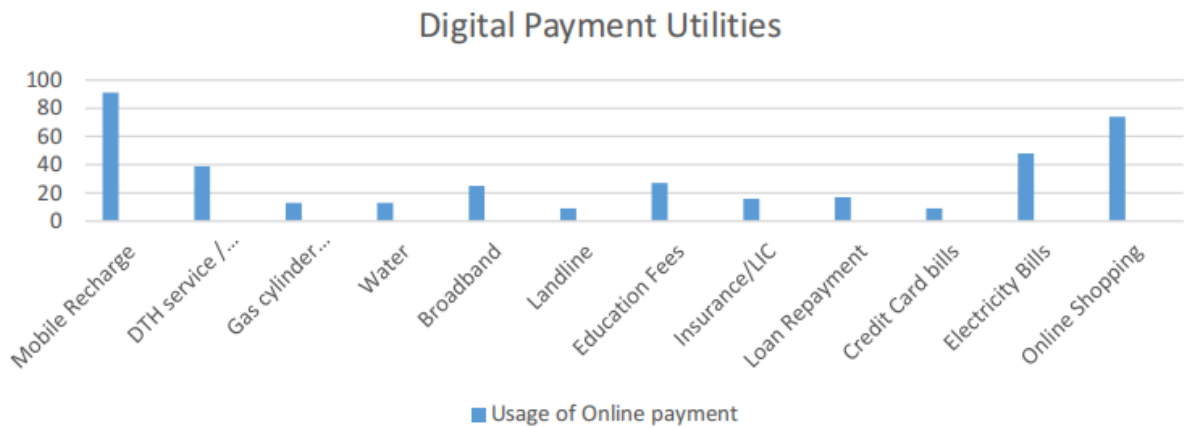
Average monthly online payment



Graph 8: Average monthly Payment Online payment during pandemic

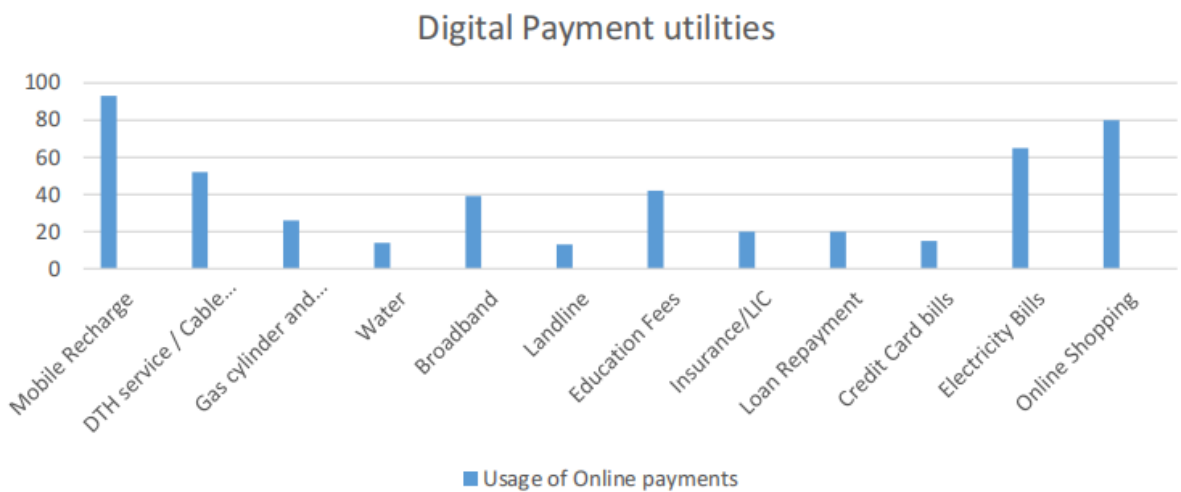
**Purpose for which online payments commonly used:**

**A) Before pandemic**



Graph 9: Digital Payment usage before pandemic

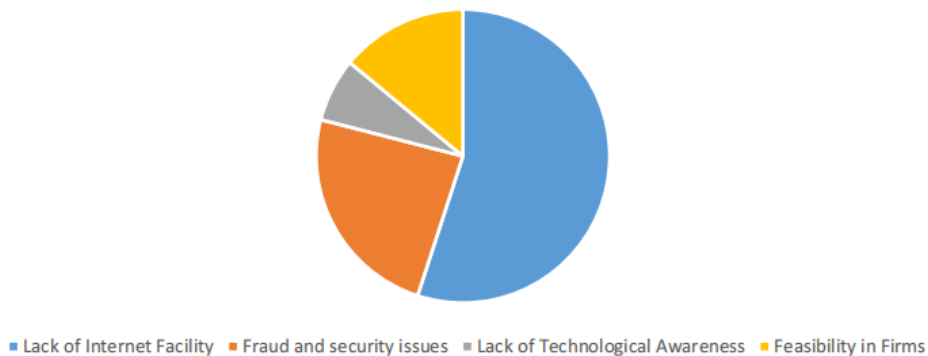
**B) During the pandemic**



Graph 10: Digital Payment usage during pandemic

**The challenges faced by people in adopting online payment**

**Challenges of Online payments**



Graph 11: Challenges of Online payments

## Chi-square test

Chi-square test was used to test the hypothesis:

H1: There is no significant difference in the proportion of consumer preference towards Various payment mechanisms.

**Table:1 Chi-square test**

<b>Applications</b>	<b>Observed frequency</b>	<b>Expected frequency</b>
Internet Banking	35	40
Mobile Banking	45	40
Mobile wallets (google pay, PhonePe, PayTM etc.)	75	40
Banking Cards (ATM cards, debit cards, credit cards etc.)	30	40
Branch Banking (offline mode)	15	40
	200	200

P VALUE= 0.00000000036108654049

CHISQUARE VALUE=50

LEVEL OF SIGNIFICANCE=0.05

DOF=4

TABLE VALUE=7.815

CALCULATED VALUE>7.815, REJECT NULL HYPOTHESE

Since the calculated Chi-square value of 50 is greater than the critical chi-square value of 7.81, there is a strong evidence to reject the null hypothesis of 'no significant difference'. Therefore, it is concluded that there is significant difference in the proportion of people's preference towards various payment mechanisms.

## FINDINGS

The findings of the study are as follows:

- There is a significant Increase in the usage of digital payments during the pandemic period.
- There is a significant difference in the proportion of consumer preference towards various payment mechanisms
- ATM cards and mobile wallets were the most commonly used payment means by people across the Kottayam district.
- Before the covid-19 scenario people mostly uses online payments for mobile recharge and online shopping purposes. However, the usage various other purposes like DTH service /

Cable TV Services, Gas cylinder and Piped Gas Services, Water, Broadband, Landline, Education Fees, Insurance/LIC, Loan Repayment, Credit Card bills, Electricity Bills, and Online Shopping had increased significantly during covid-19 days.

- The major challenge faced by the customers in online payments are lack of adequate Internet connection.

## **CONCLUSION**

This study aimed at analysing the Impact of covid-19 on digital payment in Kottayam district, Kerala, India. From the result obtained after conducting chi-square test and various graphical tools, it is evident that the Covid- 19 had significantly changed the payment modes of common people from the traditional paper currency to cashless mode, i.e. online payment. But it again paves the way for further research questions like whether this impact of covid-19 on digital payment will sustain for a longer term or whether people will go back to their older ways of transactions? What are the factors that motivates people to continually use digital payments? etc.

